



PROGRESSIVE CONTRACTING INC.

GENERAL ENGINEERING CONTRACTING
"Good honest work - Old fashioned pride"

M/053/0081
cc: Lynn

August 15, 2011

State of Utah
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

RE: SITLA Mineral Lease #51108 and #51109

To Whom It May Concern:

This letter is to inform you that we currently hold two mineral lease agreements with SITLA in Washington County (T43, R15W, SLB&M, Sec17: E1/2E1/2NE1/4). Currently we are not mining on this property as SITLA and the City of St. George are in talks concerning the property that is affected. Once they have come to an agreement, it is our intentions to begin mining operations. At that time, we will file the necessary paper work.

If you have questions, please feel free to contact me.

Sincerely,

Roy Benson

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DIV. OF OIL, GAS & MINING